Government of Saskatchewan

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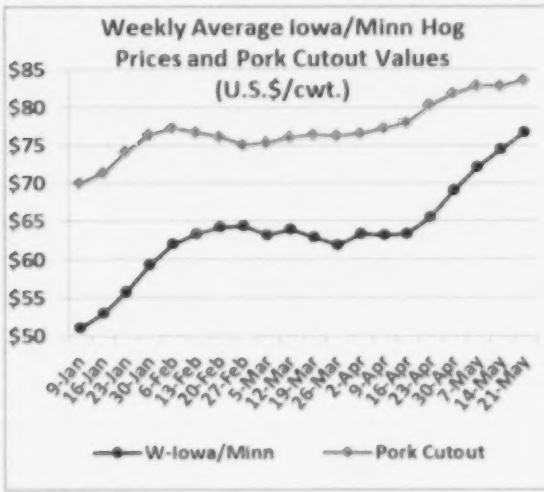
Weekly Hog Report

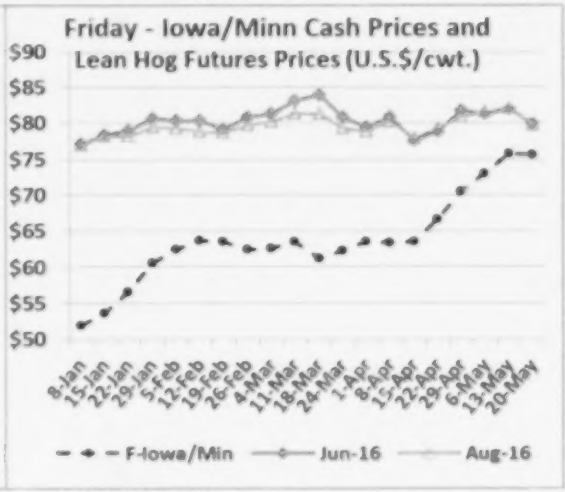
May 24, 2016

Cash Slaughter Weight Hog Prices

United States daily average cash hog prices (Iowa/Minn) started to edge lower mid-week and ended the week slightly lower, week-over-week. Hog prices on Friday May 13 averaged US$75.59 per cwt, down slightly (US$0.13 per cwt) from US$75.72 per cwt the previous Friday. The negotiated base price last week averaged US$76.65 per cwt, up US$2.21 per cwt or 3.0 per cent from US$74.44 per cwt the previous week.



Source: LMIC



Source: LMIC, CME

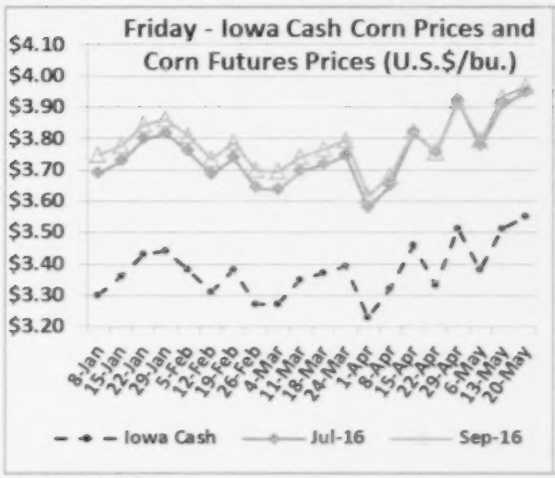
In Canada, the Signature#3 (Maple Leaf) Index 100 daily price for Friday May 20, 2016 was $182.36 per ckg, up $4.53 per ckg or 2.5 per cent from $177.83 per ckg the previous Friday. Signature#3 weekly prices (Friday to Thursday) averaged $180.94 per ckg, up $6.73 per ckg or 3.9 per cent from the previous weeks' average price of $174.21 per ckg. The Canadian dollar moved lower last week closing Friday at 76.20 cents, down 1.11 cents from 77.31 cents the previous Friday.

Futures Markets

United States lean hog futures daily prices were primarily lower last week to end the week lower, week-over-week. The June-to-August 2016 lean hog futures contracts declined between US$2.100 per cwt and US$2.375 per cwt. The nearby June contract declined US$2.100 per cwt to settle Friday at US$79.850 per cwt, while the August contract declined US$2.375 per cwt to settle Friday at US$79.750 per cwt. Slaughter weight cash hog prices were about US$4 per cwt lower than summer futures prices.

Cash Feeder Hog Prices

North American (Iowa) iso-wean (10-12lb) cash hog prices and feeder (40lb) cash hog prices continued lower last week. Weighted average cash prices for iso-weans (12lb) last week were US$30.80 per head, down US$5.60 per head from US$36.40 per head the previous week. Feeders (40lb) averaged US$64.07 per head, down $1.27 per head from US$65.34 per head, the previous week.



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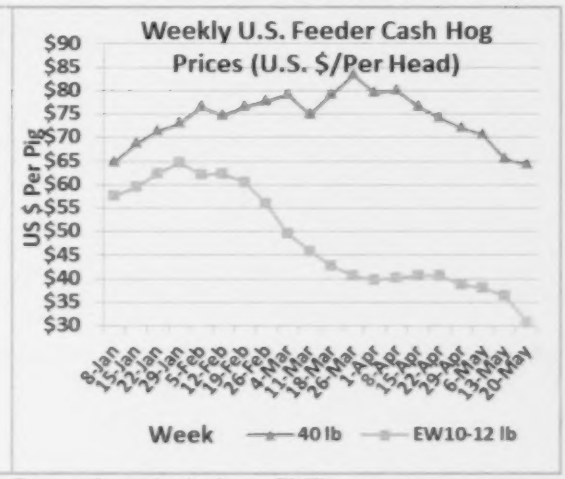

Source: Iowa Agriculture, CME

U.S corn prices were higher last week to end the week higher, week-over-week. Iowa cash corn prices increased four cents to settle Friday at US$3.55 per bushel. U.S. daily corn futures prices were mixed over the week ending the week higher, week-over-week. The July 2016 corn contract increased almost four cents to settle Friday at US$3.94 ½ per bushel, while the September 2016 corn contract increased 3½ cents to settle Friday at US$3.96 ¾ per bushel.

Hogs Slaughtered

U.S. hogs slaughtered under federal inspection for the week ending May 21 were estimated 2.119 million head, down 1.9 per cent from 2.160 million head the previous week, and down 1.0 per cent from 2.140 million head the same week a year ago. U.S. hogs slaughtered over the last four weeks ending May 21 averaged 2.158 million head per week, up 1.2 per cent from 2.132 million head the same period a year ago.

Meat Production

U.S. pork production for the week ending May 21, 2016 was estimated at 452.5 million lb., down 1.9 per cent from 461.2 million lb. the previous week, and down 0.5 per cent from 454.9 million lb. the same week a year ago. Pork production over the last four week's ending May 21 was estimated to average 460.7 million lb., up 1.5 per cent from 454.0 million lb. over the same four week period a year ago.

U.S. beef production for the week ending May 21 was estimated at 477.2 million lb., down 2.7 per cent from 490.5 million lb. the previous week, but up 3.4 per cent from 461.4 million lb. the same week a year ago.

Combined production of U.S. beef, pork, chicken and turkey over the four weeks ending May 14, 2016, was estimated to average 2.074 billion lb., up 3.1 per cent from 2.012 billion lb. over the same four weeks a year ago. Year-to-date, total U.S. meat production for 2016 is estimated to be up 2.3 per cent compared to the same period in 2015.

United States Weekly Meat Production

(May 14) Four Week Average - Million Lb.			Percent Change	
	2015	2016	4 Week	YTD 2016
Pork	455.8	466.9	2.4%	0.2%
Beef	456.1	480.6	5.4%	3.9%
Chicken	973.3	990.4	1.8%	2.8%
Turkey	126.7	136.5	7.8%	0.6%
Total	**2,011.8**	**2,074.4**	**3.12%**	**2.26%**

Source: LMIC

Cutout Values

U.S. national pork cutout values for the week ending May 21, 2016 averaged US$83.50 per cwt, up 0.8 per cent or US$0.69 per cwt from US$82.81 per cwt the previous week, but down 2.8 per cent from US$85.94 per cwt from the same week a year ago.

Choice beef cutout prices (600-900 lb.) for the week ending May 21, 2016 averaged US$225.72 per cwt over the week, up US$12.72 per cwt or 6.0 per cent from US$213.00 per cwt the previous week, but down 14.2 per cent from US$263.19 per cwt the same week a year ago.

Average chicken cutout values (breast) for the week ending May 21, 2016 averaged US$125.87 per cwt, down 1.0 per cent from US$127.11 per cwt the previous week, and down 22.9 per cent from US$163.24 per cwt the same week a year ago.

Meat In U.S. Cold Storage

USDA released the latest U.S. cold storage numbers on May 23, 2016. The United States' pork stocks in cold storage totaled 635.4 million lb. on April 30, 2016, down 9.4 per cent from 701.1 million lb. on April 30, 2015, but up 3.5 per cent from 613.8 million lb. on March 31, 2016. The month-over-month increases were primarily attributed to increases in hams (+35%) and bellies (+12%) in cold storage.

The U.S. beef stocks in cold storage totaled 452.3 million lb. on April 30, 2016, down 6.6 per cent from 484.3 million lb. on April 30, 2015, and down 3.2 per cent from 467.3 million lb. on March 31, 2016.

Total pork, beef, chicken and turkey in cold storage on April 30, 2016 were at 2.291 billion lb., above the ten year average for April, but still below maximum highs for April and the highs of 2.4 billion lb. in September 2015.

United States Stocks in Cold Storage (Frozen)

	1,000 Pounds		
Commodity	**30-Apr-2015**	**31-Mar-2016**	**30-Apr-2016**
Pork	701,083	613,803	635,424
Beef	484,294	467,261	452,347
Chicken	765,631	792,874	806,108
Turkey	394,415	368,073	397,059
Total Combined	**2,345,423**	**2,242,011**	**2,290,938**

Source: NASS

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